GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:2877
ANSWERED ON:11.08.2003
FAVOUR TO GENERAL SALES AGENTS
VSM (RETD.) COL. CHOUDHARY

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the General Sales Agents (GSAs) appointed forsale of passenger tickets and cargo transportation at foreign stations are entitled to normal commission and overriding commission at specific rates;

(b) if so, whether as per the agreement with the company, GSAsare not allowed to sell tickets at rates other than those fixed by the company;

(c) if so, whether some GSAs abroad had sold tickets atrates published by the IATA during 1998-99 to 2001-2002 which were higher than the rates fixed by the company;

(d) if so, the details thereof,

(e) whether the GSA`s were allowed to retain the excess collections as incentives despite being paid the agreed commission; and

(f) if so, whether the Government propose to conduct investigations for this lapse and undue favour shown to the GSAs?

Answer

MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI RAJIV PRATAP RUDY)

(a): Yes Sir.

(b): The fares given by Air India to GSA are the benchmarklevels and GSA cannot sell tickets at rates lower than these benchmark levels. These fares are competitive market fares and very much below IATA published rate

(c), (d) & (e): No Sir. Due to intense competition, GSAwould not be able to sell at IATA published fare as they are very much higher than the prevalent market fares. However, GSA can sell tickets at higher than the benchmark level. The benchmark level is the lowest level. GSA keeps the commission at the approved rates for the higher amount and deposits the corresponding higher sale proceeds net of commission to Air India.

(f): No, Sir. There is no reason to conduct investigation as no irregularity has been brought to notice.